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Supplemental Agreement No. 2
Contract No. RD-35

This Supplemental Agreement entered into this 18th day of March 1954 by and between the United States of America (hereinafter called "the Government") represented by the Contracting Officer executing this Agreement, and [redacted] 25X1
having its principal place of business at [redacted] 25X1
(hereinafter called "the Contractor").

WITNESSETH:

WHEREAS, there exists between the parties hereto a contract known and designated as Contract No. RD-35 (hereinafter called "the basic contract"), and

WHEREAS, Article 5, Payment of Costs, sub-paragraph (c) Overhead, establishes for provisional reimbursement purposes 20% of total production cost for general and administrative expenses, and 32% of direct labor dollars, for laboratory (production) overhead cost, and

WHEREAS, the basic contract was amended on 17 December 1953 by deleting the sub-paragraph of Article 5(c) titled Overhead, and inserting in lieu thereof for the purpose of allocating overhead for general and administrative expenses 13.68l% of the total production costs for progress payment purposes, and $1.287 per direct labor hour, subject to modification to actual cost, for laboratory (production) overhead at the termination or completion of the contract or at the conclusion of any interim audit period, and

WHEREAS, pursuant to Article 5(b) of the basic contract an audit was made of the Contractor's books and records for the periods 1 January 1952 through 31 December 1952 and 1 January 1953 through 31 July 1953 for the purpose of adjusting by reduction or increase the provisional payments previously made.

NOW THEREFORE, the parties hereto agree as follows:

Article 5(c), sub-paragraph titled Overhead, as heretofore amended, shall be deleted and the following inserted:

Overhead. Allocation of overhead expenses shall be as follows: For the period 1 January 1952 through 31 December 1952 allocation of general and administrative expenses shall be made on the provisional basis of 16.06l% of the total production costs for progress payment purposes, subject to modification to actual general and administrative cost as determined by final audit of the Contractor's books and records at the termination or completion of the contract, or at the conclusion of any interim audit. For the period 1 January 1953 through 31 July 1953 allocation of general and administrative expenses shall be made on the provisional basis of 13.68l% of the total production costs for progress payment purposes, subject to modification

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to actual general and administrative cost as determined by final audit of the Contractor's books and records. Production cost is understood to include direct cost and laboratory overhead cost.

The (laboratory) overhead cost for the period 1 January 1952 through 31 December 1952 shall be on a provisional basis of $.941 per direct labor hour and for the period 1 January 1953 through 31 July 1953 shall be on a provisional basis of $1.207 per direct labor hour allocated according to the Contractor's normal practices which are allowable under Section 5(c) subject to modification to actual laboratory overhead at the termination or completion of the contract or at the conclusion of any interim audit.

The general and administrative and laboratory overhead rates determined at the conclusion of any interim audit period shall continue thereafter on a provisional basis through the next succeeding audit period.

All other terms and conditions of the basic contract shall be and remain the same.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be signed, intending to be legally bound thereby.

THE UNITED STATES OF AMERICA

BY /S/ [redacted] 25X1

TITLE Contracting Officer

[redacted] 25X1

TITLE [redacted]

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